

Message Text

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PAGE 01 STATE 146731
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AMEMBASSY PARIS

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E.O. 11652: N/A

TAGS: ESTC, COCOM, UR, FR

SUBJECT: COMMERCE DENIES LICENSE TO SELL BIG COMPUTER TO
USSR

1. THE DEPARTMENT OF COMMERCE ISSUED THE FOLLOWING PRESS
RELEASE JUNE 23. QUOTE

2. THE U.S. DEPARTMENT OF COMMERCE ANNOUNCED TODAY THAT IT
HAS DENIED THE CONTROL DATA CORPORATION (CDC) OF
MINNEAPOLIS, MINNESOTA, A LICENSE TO EXPORT A CYBER 76 COM-
PUTER SYSTEM TO THE SOVIET UNION FOR USE IN WEATHER RESEARCH
AND FORECASTING.

3. THE REASON FOR THE DECISION, ACCORDING TO THE DEPART-
MENT'S OFFICE OF EXPORT ADMINISTRATION, IS THE POWERFUL
COMPUTER'S POTENTIAL FOR SIGNIFICANT MILITARY APPLICATION
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PAGE 02 STATE 146731

AND THE ABSENCE OF SATISFACTORY SAFEGUARDS TO DETECT AND
PREVENT DIVERSION OF THE SYSTEM TO SUCH USES. THE DECISION
WAS REACHED AFTER EXTENSIVE CONSULTATION WITH OTHER AGEN-
CIES OF GOVERNMENT INCLUDING THE DEPARTMENTS OF STATE AND
DEFENSE AND THE ENERGY RESEARCH AND DEVELOPMENT ADMINIS-
TRATION AS WELL AS WITH CDC ITSELF.

4. IN A NOTICE OF REJECTION TO CDC, RAUER H. MEYER, DIRECTOR OF THE OFFICE OF EXPORT ADMINISTRATION, EXPLAINED THE DENIAL ACTION:

5. 'BECAUSE OF THEIR SIGNIFICANT MILITARY AND MILITARY SUPPORT APPLICATIONS, THE EXPORT OF COMPUTERS TO NATIONS WHICH THREATEN OR POTENTIALLY THREATEN OUR SECURITY ARE CONTROLLED BY THE UNITED STATES AND OTHER WESTERN COUNTRIES THAT COOPERATE IN AN INTERNATIONAL SYSTEM OF SECURITY TRADE CONTROLS. EXPORTS ARE PERMITTED ONLY WHEN IT CAN BE SATISFACTORILY DETERMINED THAT THE TRANSACTION WOULD NOT MAKE A SIGNIFICANT CONTRIBUTION TO THE MILITARY POTENTIAL OF THOSE NATIONS THAT WOULD BE DETRIMENTAL TO U.S. AND WESTERN SECURITY.

6. 'AFTER EXTENSIVE INTERAGENCY REVIEW IT WAS CONCLUDED THAT SUCH A FINDING COULD NOT BE MADE IN THIS INSTANCE. THE CYBER 76 IS A SCIENTIFICALLY-ORIENTED COMPUTER THAT HAS WIDE USES IN THE UNITED STATES FOR MILITARY RESEARCH, DEVELOPMENT, AND SUPPORT. ITS VALUE IN THESE ACTIVITIES CAN SCARCELY BE OVERSTATED. BECAUSE IT IS FAR MORE POWERFUL THAN ANY COMPUTER KNOWN TO BE AVAILABLE TO THE SOVIET UNION, THE LIKELIHOOD OF DIVERSION TO MILITARY OR STRATEGIC USES IS OF SERIOUS CONCERN.

7. 'A SPECIAL TASK GROUP UNDER THE LEADERSHIP OF COMMERCE'S UNCLASSIFIED

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PAGE 03 STATE 146731

NATIONAL BUREAU OF STANDARDS WAS CONVENED TO STUDY THE POSSIBILITY OF SAFEGUARDING THE COMPUTER AGAINST DIVERSION TO UNAUTHORIZED USES. AFTER EXHAUSTIVE EXAMINATION OF THE PROBLEM, INCLUDING CONSIDERATION OF SPECIFIC SAFEGUARDS PROPOSED BY CDC, THE TASK GROUP CONCLUDED THAT TECHNICALLY VIABLE AND ECONOMICALLY FEASIBLE SAFEGUARDS COULD NOT BE DEvised. SAFEGUARDS CONSIDERED ADEQUATE FOR THE FAR LESS POWERFUL COMPUTERS PREVIOUSLY APPROVED FOR SALE TO THE SOVIET UNION WERE FOUND COMPLETELY INEFFECTIVE IN THE CASE OF THE CYBER 76.'

8. THE COMMERCE DEPARTMENT ADMINISTERS THE EXPORT ADMINISTRATION ACT OF 1969. THAT LAW PROVIDES FOR RESTRICTIONS ON EXPORTS THAT WOULD ADVERSELY AFFECT THE NATIONAL SECURITY.

9. NORMALLY THE DEPARTMENT DOES NOT DIVULGE THE IDENTITY OF PARTIES INVOLVED IN AN EXPORT LICENSING ACTION. HOWEVER, IT IS DOING SO IN THE CYBER 76 CASE BECAUSE CDC HAS RELEASED THE DEPARTMENT FROM ITS OBLIGATION UNDER THE LAW TO KEEP PROPRIETARY INFORMATION CONFIDENTIAL. UNQUOTE. CHRISTOPHER

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Sent Date: 23-Jun-1977 12:00:00 am
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Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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Disposition Event:
Disposition History: n/a
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Executive Order: N/A
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